HONORING THE EMPLOYEES OF THE ANN ARBOR NEWS FOR THEIR 174 YEARS OF FINE JOURNALISM

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 23, 2009

Mr. DINGELL. Madam Speaker, I rise today to offer a tribute in honor of The Ann Arbor News, which has shut its doors after 174 years of service.

Since 1835, the Ann Arbor News and its employees served Washtenaw County creating a forum for educated discussion, thoughtful articles, and current events. I want to thank the employees and journalists of The Ann Arbor News for their fine work, and I wish them the very best in their future endeavors.

The Ann Arbor News lived to see its town of only 1,000 expand to a city of 110,000 and has watched the University of Michigan become one of the finest universities in the world. It predates the Civil War and covered that historic struggle during the 1860s. In the 1950s it covered the announcement of the groundbreaking polio vaccine in Ann Arbor. The News also spread word of two landmark Presidential programs, Kennedy's Peace Corps and Lyndon Johnson's Great Society, also unveiled in Ann Arbor. Later on, the News was recognized as one of the best small newspapers in the country out of a field of about 1,350 papers with daily circulations of 50,000 or less (about 85 percent of all daily papers in America).

I am pleased that some of the News' fine journalists will be joining a new venture, AnnArbor.com, which will serve many similar functions as the News, and will guide the Ann Arbor community into the age of digital web information. I would like to offer my tribute to the thousands of people who worked at The Ann Arbor News and established its fine journalistic tradition from 1835 until its close.

EARMARK DECLARATION

HON. KEVIN McCARTHY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 23, 2009

Mr. MCCARTHY of California. Madam Speaker, pursuant to the Republican Leadership guidelines on earmarks, I am submitting the following information for publication in the CONGRESSIONAL RECORD regarding earmarks I requested that were included as part of H.R. 3293, the Departments of Labor, Health and Human Services, Education and Related Agencies Appropriations Act, 2010.

Requesting Member: Congressman KEVIN MCCARTHY

Bill Number: H.R. 3293

Account: Department of Health and Human Services, Health Resources and Services Administration—Health Facilities and Services

Legal Name of Requesting Entity: San Luis Obispo County Community College District

Address of Requesting Entity: P.O. Box 8106, San Luis Obispo, California 93403

Description of Request: $100,000 was included for the San Luis Obispo County Community College District's (Cuesta College) Department of Nursing & Allied Health SLO & NC to fund upgrades to nursing program training rooms and purchase new medical training equipment to create modern hospital settings for teaching students. Though hospital settings remain the best laboratory for student learning, it is high-risk. This funding will provide Cuesta College nursing students with state-of-the-art, hands-on learning in a low-risk environment, which helps ensure future nurses from Cuesta College have the skills and training to save lives in hospitals and emergency rooms in the region and beyond.

INTRODUCTION OF THE CONSUMER PROTECTION AND REGULATORY ENHANCEMENT ACT

HON. SPENCER BACHUS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 23, 2009

Mr. BACHUS. Madam Speaker, today the Republican leadership of the House and the Financial Services Committee joined me in introducing H.R. 3310, the Consumer Protection and Regulatory Enhancement Act, to comprehensively modernize and streamline the regulatory structure of the financial services industry.

The legislation will ensure that (1) the government stops rewarding failure and picking winners and losers; (2) taxpayers are never again asked to pick up the tab for bad bets on Wall Street while some creditors and counterparties of failed firms are made whole; and (3) market discipline is restored so that financial firms will no longer expect the government to rescue them from the consequences of imprudent business decisions. The Republican plan seeks to return our regulatory system to one in which government policies do not promote moral hazard, and insolvent financial firms do not become wards of the state.

The Obama administration and many Democrats in Congress have insisted that the financial crisis was caused by a lack of regulation and a failed free market philosophy, requiring government intervention on the scale of the New Deal to "re-regulate" finance. H.R. 3310 is premised upon a belief that it was misguided government policies to allocate credit and government intervention to prop up failed financial institutions that helped precipitate, and later exacerbate, the crisis, which suggests that what is needed is smarter—not more—regulation. The bill fundamentally rejects the command-and-control approach that has characterized the Obama administration's and congressional Democrats' stewardship of the economy.

The Administration's regulatory reform proposals would empower the Federal Reserve as a new "systemic risk super-regulator." Rather than massively expanding the Federal Reserve's mission and further enshrining a failed government policy of rescuing "too big to fail" institutions, H.R. 3310 scales back the Fed's authorities so that it can focus on conducting monetary policy and unwinding the trillions of dollars in obligations it has amassed during the financial crisis. When combined with the administration's reckless "borrow-and-spend" fiscal policy, the vast expansion of the Fed's balance sheet in recent months arguably represents a far more significant source of "systemic risk" to our nation's economy than the failure of any specific financial institution.

The guiding principle of H.R. 3310 can be summed up in one sentence: no more bailouts. By putting an end to ad hoc, improvised and unprincipled bailouts designed to spare big Wall Street firms and their creditors from the consequences of their mistakes, our legislation offers a clear alternative to the limitless and unconstrained "bailout authority" that Democrats want to confer upon those very regulators that failed to anticipate the current crisis that almost wrecked our financial system. The Democrats want to hide the consequences of regulatory and private sector mistakes by giving regulators the authority to bail out large financial institutions, their creditors, and their counterparties, without any accountability whatsoever. Even worse, the Democrats have not yet figured out who is going to pay for this limitless bailout authority, administered by bureaucrats for the benefit of a handful of large financial institutions.

Our legislation also rejects the call for a government-run economy that depends upon the omniscience and omnipotence of government regulators who have shown themselves unable to anticipate crises, let alone do anything to prevent them. Republicans believe that the financial system works best when individual participants are free to keep the gains yielded by their efforts, but are forced to bear the costs of their failure. By adhering to the principle that no firm is "too big to fail," Republicans will ensure that responsibility for monitoring the stability of the financial system is placed exactly where it needs to be: with the individual market participants who have the self-interest and the expertise to monitor their exposure to the financial system, and who are in the best position to take the necessary action to protect themselves, their investors, and their creditors from the risks that are endemic to the financial system.

Rather than asking government to spare participants from the consequences of their mistakes by imposing those costs on others, our legislation calls for the resolution of insolvent non-bank institutions—no matter how large or systemically important—through the bankruptcy system.

The key to making bankruptcy work as an alternative is to make credible and clear the government's commitment to restructuring, reorganizing, or liquidating troubled financial institutions at the expense of their creditors and counterparties. This commitment requires a firm rejection of the current status quo, in which the decision whether to rescue a specific firm and insulate its creditors and counterparties from losses is left to the discretion of regulators accountable to no one but themselves. This commitment also requires the rejection of the possibility of any bailout, no matter how that bailout is described. Without this firm commitment to ending bailouts, too-big-to-fail financial institutions and those who do business with them have every incentive to pursue short term gains, knowing that the costs will ultimately be borne by others if things go wrong. By making credible the government's policy that losses will be borne by those responsible, the government makes the financial system stronger by encouraging creditors to be more vigilant in assessing the creditworthiness and business practices of the parties to whom they are extending credit. And by making clear that the government will not step in to bail out a failing institution or its creditors, the government can remove the uncertainty and confusion that roiled the markets last September when market participants could not anticipate the government's actions.

The relatively smooth bankruptcies of Drexel Burnham Lambert, Enron, and WorldCom demonstrate that the bankruptcy system is more than capable of resolving and liquidating large, complex institutions. The failure of Lehman Brothers last September is often cited by proponents of a new systemic risk resolution authority as an example of why bankruptcy "won't work." In truth, the shock to the markets from Lehman's collapse was the result of dashed expectations of market participants that the government would ride to Lehman's rescue just as it had in the earlier Bear Stearns and GSE episodes, not of any inadequacies in the bankruptcy process. Nevertheless, Republicans believe that bankruptcy can be made more efficient and better tailored to resolving large non-bank financial institutions. The legislation, therefore, proposes a new chapter to the Bankruptcy Code to deal with the unique characteristics of financial institutions that will make "orderly failure" a practical solution for resolving troubled firms. Among other things, this new chapter will provide for better coordination between the regulators of these institutions and the bankruptcy system, so that regulators can provide technical assistance and specialized expertise about financial institutions. In addition, this new chapter will give bankruptcy judges the power to stay claims by creditors and counterparties to prevent runs on troubled institutions, thereby helping to alleviate the panic that could strike the financial system if a large institution finds itself facing difficulties.

Rather than establishing the Federal Reserve as the "systemic risk regulator," and identifying in advance those firms that are systemically significant (i.e., "too big to fail"), the legislation creates a Market Stability and Capital Adequacy Board, chaired by the Secretary of the Treasury and comprised of outside experts as well as representatives from the financial regulatory agencies responsible for supervising large, complex firms. This panel would be charged with monitoring the interactions of various sectors of the financial system, and identifying risks that could endanger the stability and soundness of the system. The panel's mandate would include reviewing financial industry data collected from the appropriate functional regulators; monitoring government policies and initiatives; reviewing risk management practices within financial regulatory agencies; reviewing capital standards set by the appropriate functional regulators and making recommendations to ensure capital and leverage ratios match risks regulated entities are taking on; reviewing transparency and regulatory understanding of risk exposures in the over-the-counter derivatives markets and making recommendations regarding the appropriate clearing of trades in those markets through central counterparties; and making recommendations regarding any government or industry policies and practices that are exacerbating systemic risk. In order to address current regulatory gaps, each functional regulator would be required to assess the effects of their regulated entities' activities on macroeconomic stability and review how entities under their regulatory purview interact with entities outside their purview. This panel would not have independent enforcement or supervisory authority over individual firms, but would instead meet on at least a quarterly basis and periodically report its findings to Congress and the relevant functional regulators (the cops on the beat) so that policymakers and regulators could act upon them to contain risks posed by specific firms, industry practices, activities and interactions of entities under different regulatory regimes, or government policies.

To modernize the financial regulatory structure, the legislation streamlines the current framework of overlapping and redundant Federal financial regulatory agencies by centralizing supervision of deposit-taking entities in one agency while preserving charter choice (e.g., credit unions and State charters) as well as the dual banking system (the regulator would have two divisions—one would oversee federally chartered banks and thrifts, and one would serve as the primary federal regulator of state-chartered, state-supervised banks). The legislation immediately combines the OCC and OTS into one agency and shift the supervisory functions of the Federal Reserve and FDIC to that agency, including responsibility for overseeing bank and financial holding companies. It establishes an Office of Consumer Protection within the new agency to streamline in one place responsibility for rule promulgating and enforcing the Federal consumer protection laws applicable to depository institutions, eliminating the confusion created by the existence of five different Federal regulatory agencies which currently share consumer protection responsibilities. Consumer protection rules will be reviewed and updated regularly with rule promulgation consisting of extensive consumer testing. In addition, Republicans will provide the Office of Consumer Protection with the authority to redesign and improve consumer disclosures so that they are transparent to all interested parties and written in plain language to enhance understanding by all consumers and investors.

The legislation simplifies and streamlines the complaint process for consumers and investors who believe they have been wronged by abusive industry practices, by establishing a single, toll-free number and Web site—to be administered by the Office of Consumer Protection—to field consumer inquiries and direct them to the appropriate regulatory or enforcement agency.

The legislation ensures that institutions engaged in similar activities and serving similar functions will be regulated similarly, limiting the potential for competitive distortions and a "race to the bottom" among firms seeking the most lenient regulatory treatment. It promotes simplicity and consistent enforcement. It guarantees accountability and transparency. And it enables the Federal Reserve and the FDIC to concentrate on their most important responsibilities: formulating monetary policy and protecting the deposit insurance fund, respectively.

The extraordinary market interventions conducted by the Federal Reserve since the onset of the financial crisis have added trillions of dollars to the government's balance sheet and taken it far afield from its core mission of conducting the nation's monetary policy. The Republican legislation re-focuses the Fed on its monetary policy mandate by relieving it of current regulatory and supervisory responsibilities, reassigning them to other agencies. Reallocating these duties will eliminate the Fed's current incentive to prop up the economy through an accommodative monetary policy to prevent firms under its regulatory purview from failing. The legislation makes the Federal Reserve more transparent and accountable to taxpayers by enabling the Government Accountability Office to conduct more extensive audits of the central bank. In addition, to send clear signals to markets, the legislation requires the Fed to have an explicit inflation target, and would narrow the Fed's authority under section 13(3) of the Federal Reserve Act, which currently provides the Fed with nearly unlimited powers during periods the Board of Governors deems "unusual and exigent," as follows: (1) require the Secretary of the Treasury to officially sign off on all actions taken by the Federal Reserve pursuant to section 13(3); (2) allow Congress to block any Federal Reserve action undertaken pursuant to its section 13(3) authority within 90 days of such action by passing a congressional resolution of disapproval, in which case the Fed would have 90 additional days to unwind the relevant facility; (3) place all expenditures to date pursuant to section 13(3), and those taken in the future, on Treasury's balance sheet; and (4) eliminate the Federal Reserve's ability to use its 13(3) authority to intervene on behalf of a specific institution, allowing the powers to only be used to create liquidity facilities that would be broadly available to a market sector.

H.R. 3310 also brings needed reform to the GSEs. Fannie Mae and Freddie Mac's government-subsidized model has cost taxpayers tens of billions of dollars. The legislation phases out taxpayer subsidies of Fannie Mae and Freddie Mac over a number of years and ends the current model of privatized profits and socialized losses. It sunsets the current GSE conservatorship by a date certain, placing Fannie and Freddie in receivership if they are not financially viable at that time. If they are viable, once the housing market has stabilized, the plan would initiate the process of cutting their ties to the government by winding down the federal subsidies granted through their charters and transitioning Fannie and Freddie into non-government backed entities that compete on a level playing field with other private firms. The legislation addresses the need to reduce Fannie and Freddie's portfolios, re-focus Fannie and Freddie on promoting housing affordability, and require SEC registration and the payment of taxes.

To restore market discipline and promote greater investor due diligence, H.R. 3310 discourages blind reliance on ratings supplied by the major credit rating agencies that has had such disastrous consequences for investors and the economy as a whole. For too long, the government has adopted policies that bestowed a "Good Housekeeping" seal of approval on the rating agencies and their products, which perpetuated a rating agency duopoly that contributed significantly to a mispricing of risk and a subsequent collapse in market confidence. Designating certain agencies as Nationally Recognized Statistical Rating Organizations (NRSROs) and hard-wiring references to their ratings into numerous Federal statutes and regulations are the two most egregious examples of this implied government blessing. The legislation addresses these market distortions by changing the NRSRO designation to "nationally registered statistical rating organizations'' and removing all references to ratings throughout Federal law and regulation. These changes will promote greater competition among rating agencies and less reliance on their ratings among investors. To further mitigate over-reliance on third-party credit analysis, functional regulators will be required to more thoroughly examine governance, risk management and enterprise management policies and procedures.

To restore investor and consumer confidence and better protect financial markets, H.R. 3310 enhances the ability of the financial regulatory agencies to enforce Federal consumer protection and securities laws. Regulators need more tools in their arsenal to proceed administratively and judicially against alleged violators. The legislation increases civil money penalties in government enforcement actions; maximizes restitution to victims of fraud; improves surveillance of bad actors who exploit gaps in the current regulatory regime to continue preying upon innocent consumers; and reauthorizes the Financial Crimes Enforcement Network (FinCEN), authorizing an additional $15 million to combat financial fraud.

Madam Speaker, H.R. 3310 will bring smarter, not more, regulation of our financial services industry, and I urge my colleagues to join me as a cosponsor of this legislation.

EARMARK DECLARATION

HON. KEVIN McCARTHY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 23, 2009

Mr. MCCARTHY of California. Madam Speaker, pursuant to the Republican Leadership guidelines on earmarks, I am submitting the following information for publication in the CONGRESSIONAL RECORD regarding earmarks I requested that were included as part of H.R. 3293, the Departments of Labor, Health and Human Services, Education and Related Agencies Appropriations Act, 2010.

Requesting Member: Congressman KEVIN MCCARTHY

Bill Number: H.R. 3293

Account: Department of Health and Human Services, Health Resources and Services Administration—Health Facilities and Services

Legal Name of Requesting Entity: California State University, Bakersfield

Address of Requesting Entity: 29 Romberg Nursing Education Center, 9001 Stockdale Highway, Bakersfield, California 93311

Description of Request: $150,000 was included for the California State University, Bakersfield (CSUB) to fund purchases of new classroom equipment, technical resources, and medical equipment for CSUB's nursing program. This funding is to bring CSUB's nursing program to a level of technological and environmental sophistication that is comparable to other nursing departments across California in order to meet the national and regional nursing shortage that is predicted to increase over the next decade, which would negatively affect patient care.

EARMARK DECLARATION

HON. ROBERT B. ADERHOLT

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 23, 2009

Mr. ADERHOLT. Madam Speaker, pursuant to the Republican Leadership standards on earmarks, I am submitting the following information regarding earmarks I received as part of H.R. 3293, the Labor, Health and Education Appropriations Bill:

Requesting Member: ADERHOLT

Bill Number: H.R. 3293

Account: Department of Education, Elementary & Secondary Education (includes FIE)

Legal Name of Requesting Entity: Arab City School District, Arab, AL

Address of Requesting Entity: 750 Arabian Drive, Arab, AL 35016

Description of Request: ''For an education technology initiative, including purchase of equipment'', $150,000

The funding would be used to improve the quality of technology resources available to the students. This funding will help ensure that students are better prepared to compete in a 21st century global marketplace. These funds would allow students in Arab to learn in a 21st century environment, thus preparing them for future opportunities in the global marketplace. The full amount of these funds will be spent on computers and related technical equipment.

Requesting Member: ADERHOLT

Bill Number: H.R. 3293

Account: Department of Education, Elementary & Secondary Education (includes FIE) Legal Name of Requesting Entity: Cullman County Schools, Cullman, AL

Address of Requesting Entity: 301 1st Street, NE Suite 100, Cullman, AL 35056

Description of Request: ''For a mobile laboratory initiative, including purchase of equipment'', $150,000

The funding would be used for mobile computer labs which can be moved, serving more students. This project will assist all students, at-risk to gifted, by providing technology and skills needed in 21st century workforce. Additionally it will assist with credit/grade recovery, and ACT prep. The full amount of this funding will be used to purchase equipment, including laptop carts, laptops and wireless access points for schools in the county.

Requesting Member: ADERHOLT

Bill Number: H.R. 3293

Account: Department of Education, Elementary & Secondary Education (includes FIE)

Legal Name of Requesting Entity: Franklin County Schools, Russellville, AL

Address of Requesting Entity: PO Box 610, Russellville, AL 35653

Description of Request: ''For an education technology initiative, including purchase of equipment'', $935,000

The funding would be used to upgrade a network by providing secure and robust access to educational resources both internally and externally via the Internet. Funds will be used to provide schools with modern switches, services, and equipment to replace the obsolete. Project will enable FCS students to utilize contemporary technology that will assist them in not only achieving a high school degree, but also aid them in preparing for specialized workforce skills and postsecondary endeavors. The U.S. Department of Education made STEM (Science, Technology, Engineering, and Mathematics) education a top priority. The funding will all be spent toward the purchase of equipment that includes infrastructure such as switches, and fiber optic uplinks, servers, end-user computers, LCD projectors, and wireless interactive pads.

Requesting Member: ADERHOLT

Bill Number: H.R. 3293

Account: Department of Education, Higher Education (includes FIPSE)

Legal Name of Requesting Entity: Gadsden State Community College, Gadsden, AL

Address of Requesting Entity: P.O. Box 227, Gadsden, AL 35902–0227

Description of Request: ''For technology upgrades'', $100,000

The funding would be used to provide and enhance technology in the classroom and technology infrastructure between Cherokee, Etowah, Cleburne and Calhoun Counties. This funding will provide quality education across rural areas of the state and for students to have access to technology for workforce development purposes. The entire amount of the funds would be used for the purchase and installation of equipment for technology enhancements and infrastructure.

Requesting Member: ADERHOLT

Bill Number: H.R. 3293

Account: Department of Health & Human Services, Health Resources and Services Administration (HRSA)—Health Facilities and Services

Legal Name of Requesting Entity: Cullman Regional Medical Center, Cullman, AL

Address of Requesting Entity: 1912 AL Hwy 157, P.O. Box 1108, Cullman, AL 35056

Description of Request: ''For facilities and equipment'', $1,000,000

The funding would be used for construction, renovation and equipment for Cullman Regional Medical Center's (CRMC) emergency department. CRMC is the only trauma ER along 1–65 from Huntsville to Birmingham, a vital regional corridor with a significant number of emergencies. Approximately $750,000 will assist in modifying and expanding the facility's infrastructure and $250,000 will help provide additional staff necessary to manage the increase in volume.

Requesting Member: ADERHOLT

Bill Number: H.R. 3293

Account: Department of Health & Human Services, Health Resources and Services Administration (HRSA)—Health Facilities and Services

Legal Name of Requesting Entity: DCH Health System/Fayette Medical Center, Fayette, AL

Address of Requesting Entity: 1653 Temple Avenue N., Fayette, Alabama 35555

Description of Request: ''For facilities and equipment'', $200,000

The funding would be used to replace the outdated MRI system, originally purchased in 1997. As the sole community provider for emergency care in Fayette and Lamar, the 60,000 patients served annually (including a large number of elderly, uninsured, and underinsured), will greatly benefit from this upgraded, more efficient MRI system. The projected breakdown for the project is as follows: Purchase of GE 1.5 Tesla MRI, $1,300,000.00; preparation for installation $100,000.00; lease for mobile MRI to be used during de-installation of old MRI and installation of new MRI, $48,000.00.